



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0285**

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
WEDNESDAY, APRIL 8, 2009

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**MARCH REVENUES**

NASHVILLE – Tennessee revenue collections continue to fall short of budgeted estimates. Overall March revenues, which reflect February sales, came in \$106.2 million less than the state budgeted for, with collections totaling \$779.5 million.

“March is the eighth consecutive month this fiscal year in which sales taxes and corporate income taxes have recorded negative growth over a year ago.” Goetz said. “March also becomes the thirteenth negative growth month for sales tax collections out of the last fifteen months, starting with January 2008.”

On an accrual basis, March is the eighth month in the 2008-2009 fiscal year.

The general fund was under collected by \$100.4 million and the four other funds were under collected by \$5.8 million.

Sales tax collections were \$57.7 million less than the estimate for March. The March growth rate was negative 8.94%. For eight months revenues are under collected by \$392.4 million. The year-to-date growth rate for eight months was negative 6.32%.

Franchise and excise taxes combined were \$34.8 million below the budgeted estimate of \$166.5 million. For eight months revenues are under collected by \$201.4 million.

Gasoline and motor fuel collections for March decreased by 5.82%. For eight months revenues are under collected by \$36.8 million.

Tobacco taxes collections were \$4.3 million under the budgeted estimate of \$28.0 million. For eight months revenues are under collected in the amount of \$8.9 million.

Year-to-date collections for eight months were \$698.0 million less than the budgeted estimate. The general fund was under collected by \$643.6 million and the four other funds were under collected by \$54.4 million.

The budgeted revenue estimates for 2008-2009 are based on the State Funding Board’s consensus recommendation adopted by the second session of the 105<sup>th</sup> General Assembly in May of 2008.

The revised estimates for this fiscal year as presented in the 2009-2010 budget document assume an under collection in total taxes in the amount of \$1.1 billion. The General Fund under collection is projected to be \$1.03 billion.

By tax source, the assumed under collections are: sales tax \$544.2 million; F&E taxes \$336.1 million; privilege taxes \$80.6 million; income tax \$58.0 million; highway fund road user revenues \$48.6 million, and a net under collection of \$40.0 million from all other tax sources.

**REVENUE COLLECTIONS**  
**MARCH, 2009, AND 8 MONTHS YEAR-TO-DATE**

**March Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$739,987,000	\$639,546,000	(\$100,441,000)
Highway Fund	56,486,000	54,982,000	(1,504,000)
Sinking Fund	25,863,000	25,438,000	(425,000)
City & County Fund	62,501,000	58,628,000	(3,873,000)
Earmarked Fund	892,000	892,000	0
<b>Total</b>	<b>\$885,729,000</b>	<b>\$779,486,000</b>	<b>(\$106,243,000)</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$5,861,271,000	\$5,217,644,000	(\$643,627,000)
Highway Fund	466,239,000	446,271,000	(19,968,000)
Sinking Fund	209,944,000	206,847,000	(3,097,000)
City & County Fund	517,544,000	486,232,000	(31,312,000)
Earmarked Fund	7,134,000	7,133,000	(1,000)
<b>Total</b>	<b>\$7,062,132,000</b>	<b>\$6,364,127,000</b>	<b>(\$698,005,000)</b>

**Table 1**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	March			
	2008	2009	Change	Percent
Franchise & Excise	\$161,747,000	\$131,695,000	(\$30,052,000)	-18.58%
Income	17,318,000	15,289,000	(2,029,000)	-11.72%
Inheritance & Estate	11,038,000	8,533,000	(2,505,000)	-22.69%
Gasoline	45,825,000	43,771,000	(2,054,000)	-4.48%
Petroleum Special	4,901,000	4,457,000	(444,000)	-9.06%
Tobacco	24,604,000	23,702,000	(902,000)	-3.67%
Beer	1,522,000	1,460,000	(62,000)	-4.07%
Motor Vehicle Registration	26,055,000	26,087,000	32,000	0.12%
Motor Vehicle Title	845,000	1,058,000	213,000	25.21%
Mixed Drink	4,485,000	4,321,000	(164,000)	-3.66%
Business	3,139,000	3,239,000	100,000	3.19%
Privilege	17,494,000	13,035,000	(4,459,000)	-25.49%
Gross Receipts	(14,000)	(45,000)	(31,000)	221.43%
TVA - In Lieu of Tax Payments	22,011,000	24,014,000	2,003,000	9.10%
Alcoholic Beverage	3,418,000	3,405,000	(13,000)	-0.38%
Sales and Use	513,080,000	467,203,000	(45,877,000)	-8.94%
Motor Vehicle Fuel	8,929,000	7,956,000	(973,000)	-10.90%
Severance	181,000	106,000	(75,000)	-41.44%
Coin-operated Amusement	6,000	25,000	19,000	316.67%
Unauthorized Substance	146,000	175,000	29,000	19.86%
<b>Total</b>	<b>\$866,730,000</b>	<b>\$779,486,000</b>	<b>(\$87,244,000)</b>	<b>-10.07%</b>



**Table 2**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	August - March			
	2007-2008	2008-2009	Change	Percent
Franchise & Excise	\$893,849,000	\$692,862,000	(\$200,987,000)	-22.49%
Income	36,887,000	32,414,000	(4,473,000)	-12.13%
Inheritance & Estate	65,639,000	52,796,000	(12,843,000)	-19.57%
Gasoline	411,104,000	390,724,000	(20,380,000)	-4.96%
Petroleum Special	43,497,000	40,398,000	(3,099,000)	-7.12%
Tobacco	181,449,000	200,057,000	18,608,000	10.26%
Beer	12,300,000	11,835,000	(465,000)	-3.78%
Motor Vehicle Registration	159,608,000	153,561,000	(6,047,000)	-3.79%
Motor Vehicle Title	6,956,000	6,709,000	(247,000)	-3.55%
Mixed Drink	36,095,000	35,635,000	(460,000)	-1.27%
Business	13,753,000	15,989,000	2,236,000	16.26%
Privilege	171,483,000	128,248,000	(43,235,000)	-25.21%
Gross Receipts	13,993,000	18,870,000	4,877,000	34.85%
TVA - In Lieu of Tax Payments	182,285,000	187,041,000	4,756,000	2.61%
Alcoholic Beverage	28,547,000	29,361,000	814,000	2.85%
Sales and Use	4,552,417,000	4,264,634,000	(287,783,000)	-6.32%
Motor Vehicle Fuel	117,471,000	100,336,000	(17,135,000)	-14.59%
Severance	1,529,000	1,600,000	71,000	4.64%
Coin-operated Amusement	66,000	118,000	52,000	78.79%
Unauthorized Substance	1,407,000	939,000	(468,000)	-33.26%
<b>Total</b>	<b>\$6,930,335,000</b>	<b>\$6,364,127,000</b>	<b>(\$566,208,000)</b>	<b>-8.17%</b>

**Table 3**  
**August - March Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (385,200,000)	\$ (7,200,000)	\$ (392,400,000)
Income Tax	(2,700,000)	(1,300,000)	(4,000,000)
Inheritance Tax	(7,000,000)	0	(7,000,000)
Privilege Tax	(33,600,000)	0	(33,600,000)
Business Tax	1,500,000	0	1,500,000
TVA	(1,200,000)	(800,000)	(2,000,000)
Gross Receipts	1,200,000	0	1,200,000
Gasoline & Motor Fuel Taxes	(1,800,000)	(35,000,000)	(36,800,000)
Motor Vehicle Registration	(1,900,000)	(7,500,000)	(9,400,000)
Other Taxes	<u>(11,500,000)</u>	<u>(2,600,000)</u>	<u>(14,100,000)</u>
Tobacco	(8,900,000)	0	(8,900,000)
Beer	(300,000)	(100,000)	(400,000)
Motor Vehicle Title	(700,000)	(200,000)	(900,000)
Mixed Drink	(2,100,000)	(2,300,000)	(4,400,000)
Alcoholic Beverage	400,000	100,000	500,000
Severance	100,000	300,000	400,000
Coin Operated Amusement	100,000	0	100,000
Unauthorized Substance	(100,000)	(400,000)	(500,000)
<b>Sub-Total</b>	<u><b>\$ (442,200,000)</b></u>	<u><b>\$ (54,400,000)</b></u>	<u><b>\$ (496,600,000)</b></u>
F & E Taxes	<u>(201,400,000)</u>	<u>0</u>	<u>(201,400,000)</u>
<b>Total</b>	<u><b>\$ (643,600,000)</b></u>	<u><b>\$ (54,400,000)</b></u>	<u><b>\$ (698,000,000)</b></u>